


Item Number: 12	
Name of Presenter: Dr Kev Smith	
Meeting of the Primary Care Commissioning Committee Date of meeting: 24 January 2019	 Vale of York Clinical Commissioning Group
Report Title - Emerging Pressures on Prescribing Budgets	
Purpose of Report For Information	
Reason for Report	
<p>Prescribing budget forecast to be £828,827 over budget in 2018/19.</p> <p>This paper has been presented to PCCC for information, to highlight the current pressures on the CCG prescribing budget and to inform PCCC of the reasons for these pressures.</p> <p>This paper also highlights the wider impact of medicines shortages on the NHS.</p>	
Strategic Priority Links	
<input type="checkbox"/> Strengthening Primary Care <input type="checkbox"/> Transformed MH/LD/ Complex Care <input type="checkbox"/> Reducing Demand on System <input type="checkbox"/> System transformations <input type="checkbox"/> Fully Integrated OOH Care <input type="checkbox"/> Financial Sustainability <input type="checkbox"/> Sustainable acute hospital/ single acute contract	
Local Authority Area	
<input checked="" type="checkbox"/> CCG Footprint <input type="checkbox"/> East Riding of Yorkshire Council <input type="checkbox"/> City of York Council <input type="checkbox"/> North Yorkshire County Council	
Impacts/ Key Risks	Covalent Risk Reference and Covalent Description
<input type="checkbox"/> Financial <input type="checkbox"/> Legal <input type="checkbox"/> Primary Care <input type="checkbox"/> Equalities	
Emerging Risks (not yet on Covalent)	

Recommendations

For information

Responsible Executive Director and Title

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Report Author and Title

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Background

The prescribing budget is forecast to overspend by £828,827

Table 1: Figures from CCG Finance Team Month 9

Month 9

Expenditure	£
Year to date prescribing is overspent by	-955,974
Forecast Outturn overspend is	-828,827
QIPP	£
QIPP delivery to month 7	265,202
QIPP delivery in YTD position (incl 2 months forecast)	516,762*
Forecast QIPP delivery	1,133,386**

* Note that this includes £100k of additional QIPP measures over and above what is currently being achieved.

** Note that this includes £500k of additional QIPP measures over and above what is currently being achieved.

There are several factors contributing to this overspend. These factors also have wider implications for the NHS and our patients.

No Cheaper Stock Obtainable (NCSO)

To ensure continuity of supply of medication as intended by the prescriber, dispensing contractors dispense exactly what is written on the prescription. When there are shortages in the supply chain, sometimes only more expensive products are available, such as a brand that still matches the description on the prescription. However, usual NHS reimbursement processes mean the dispenser would be providing the item at a loss, which may be manageable on occasion but not

sustainable for any business. In such circumstances, the Pharmaceutical Services Negotiating Committee (PSNC) can appeal to the Department of Health (DH) to apply the 'no cheaper stock obtainable' (NCSO) concession, which would mean the NHS pays the higher price for the item, the pharmacy does not make a loss and the patient receives the intended product.

What is the concern?

Current pressures in the medication supply chain mean there are more products than usual with a significantly increased NCSO price, which means the CCG is being recharged higher drug costs than have been planned for. This occurred in 2017/18 for most of the financial year but NCSO reduced to expected levels in April 2018 and has remained static until October 2018 – see graph 1 below.

Graph 1: Total pressure of all concessions and NCSO on total act cost of all prescribing, shows a significant spike in October 2018.

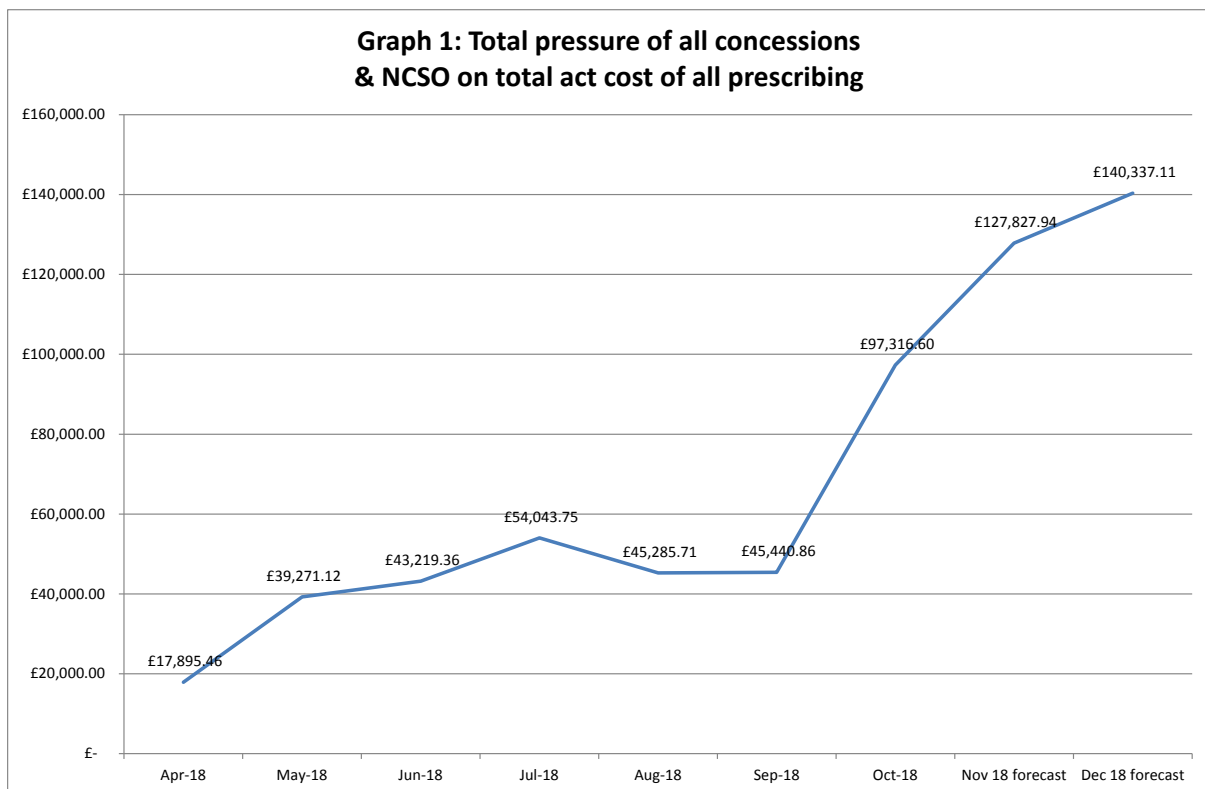


Table 2 demonstrates the cost impact of price concessions on the prescribing budget.

Table 2:

VALE OF YORK	YTD (actual only)
A.i. Total Act Cost	£28,189,191
A.ii. Actual growth from previous month	
B. Forecast outturn using NHSBSA monthly profile	£48,022,472
C.i. Total Act Cost before cost pressures	£27,534,023
C.ii. Actual growth from previous month before cost pressures	
C.iii. Forecast outturn using NHSBSA monthly profile before cost pressures	£46,906,342
D.i. Category-M total act cost before concessions & NCSO	£4,938,804
D.ii. Actual growth from previous month Category-M total act cost before concessions & NCSO	
D.iii. £10m monthly reduction in Cat-M - your average monthly proportion of overall Cat-M spend Nationally	0.60%
D.iv. £10m monthly reduction in Cat-M - your average monthly expected savings (included in overall Cat-M spend)	£299,179
E.i. Concession & NCSO pressure on total act cost of Category-M	£342,473
E.ii. Actual growth from previous month concession & NCSO pressure on total act cost of Category-M	
F.i. Total Act Cost Category-M	£5,281,277
F.ii. Actual growth from previous month Category-M	
G.i. Concession & NCSO pressure on total act cost of other prescribing	£0
G.ii. Total pressure of all concessions & NCSO on total act cost of all prescribing	£342,473
H. Pressure on total act cost of Category-M from products off concession & NCSO but back into d/t at increased prices	£312,696
I. Pressure on total act cost of other prescribing from products off concession & NCSO but back into d/t at increased prices	£0
J. Total pressure of products off concession & NCSO but back into d/t at increased prices on total act cost of all prescribing	£312,696

Key lines from Table 2

B – Forecast outturn using NHSBSA monthly profile	£48,022,472
Ciii – Forecast outturn using NHSBSA monthly profile before cost pressures	£46,906,342
Gii - The actual impact, year to date, concession and NCSO pressure on total actual cost Category-M	£342,473

If price concessions and NCSO continue at the forecasted values given for December 2018 in January, February, March 2019 (i.e. at ~£140,337 per month) the estimated total impact will be ~£1,031,648 for 2018/19.

Compared to other CCGs nationally NHS Vale of York CCG is in the lower bandings for impact of price concessions – see visual analytics data.

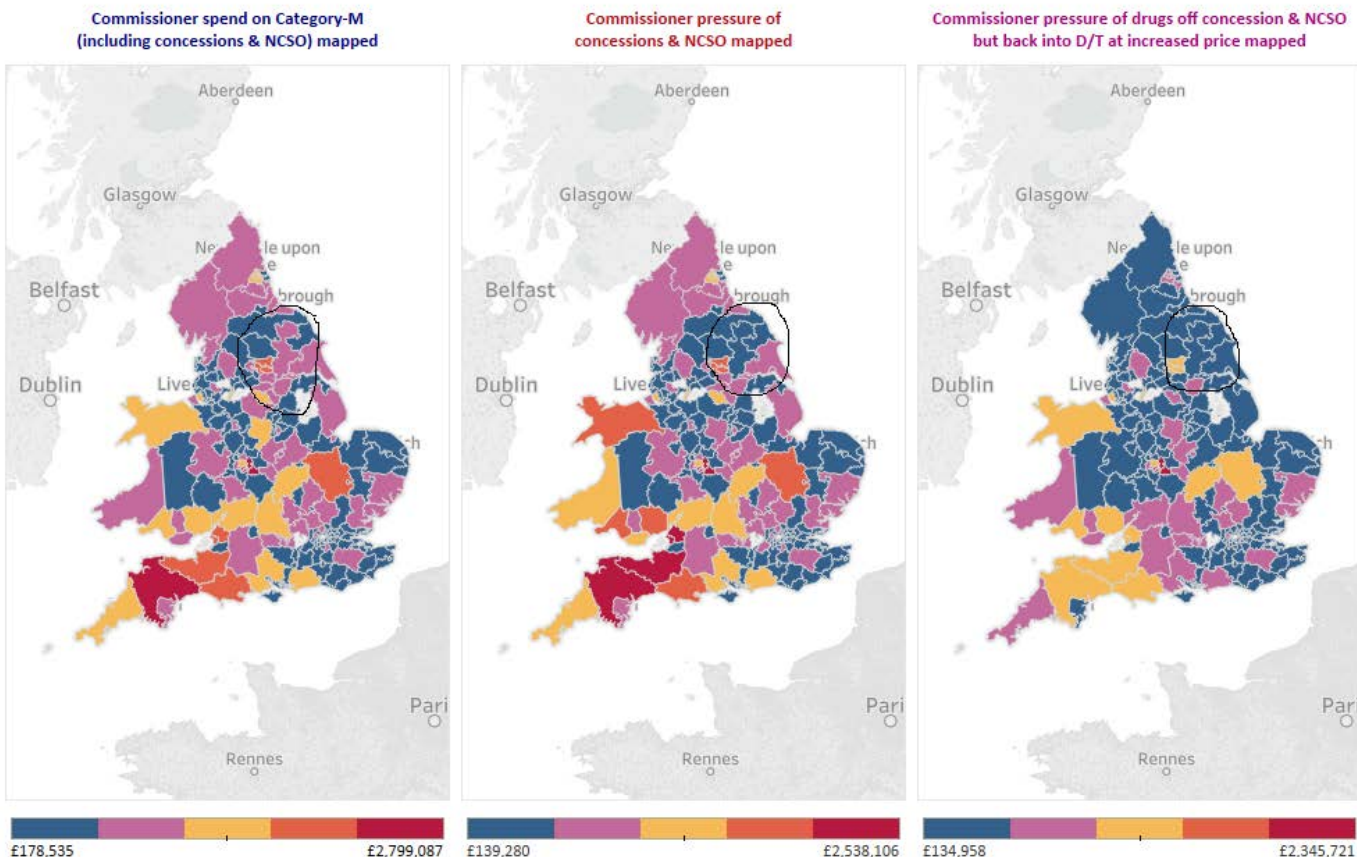
Visual Analytics Data: Three maps for data April 2018-December 2018

- 1) Commissioner spend on Category M (including concessions and NCSO) mapped
- 2) Commissioner pressure of concessions and NCSO mapped
- 3) Commissioner pressure of drugs off concessions and NCSO but back into drug tariff at increased price mapped

Commissioner Financial 'Inputs' Reporting
 Category-M and all cost pressures mapped

Commissioner Grouping: (All) Total Act Cost / Cost per 1,000 pts: Total Actual Cost Prescribing type (Cat-M, others or All): Show pressure to CatM only

Period From: April 2018 Period To: December 2018



Brexit

The uncertainty of Brexit (regardless of 'deal' or 'no deal') may be contributing to the medicines shortages and hence having further impact on price concessions. It is unknown how long the 'Brexit effect' will impact on medicines shortages/price concessions.

In UK/NHS, 45% medicines come from EU

The following communication has gone out to all our prescribers, practice managers and Community Pharmacies (10.01.2018):

Dear Colleague

Like all parts of HM Government, Department of Health and Social Care (DHSC) is making contingency plans in case the UK exits the European Union with no deal, the Government guidance issued on this topic

In December 2018, Health Secretary Matt Hancock wrote a letter to frontline healthcare professionals, stressing the need to avoid local stockpiling of medicines. The key points were as follows:

- *Community Pharmacies, dispensaries and other healthcare providers should not stockpile additional medicines beyond their business as usual stock levels;*
- *There is no need for clinicians to write longer NHS prescriptions;*
- *Local stockpiling is unnecessary and could cause shortages in other areas, which would put patient care at risk;*
- *Any incidences involving the over-ordering of medicines would be investigated and followed up with the relevant team and*
- *If asked, patients should be advised not to store additional medicines at home because the Government is working with industry to ensure a continued supply of medicines.*

This guidance builds on a previous letter sent by the DHSC to frontline healthcare professionals in August 2018, where hospitals, GPs and community pharmacies were told they “do not need to take any steps to stockpile additional medicines, beyond their business as usual stock levels” and said that pharmaceutical companies were being asked to hold an additional six weeks supply of medicines. (Please note this is an additional six weeks to the reserves they usually hold.)

NHS Vale of York CCG fully supports this guidance from DHSC. All prescribers and dispensing contractors within NHS Vale of York CCG are requested to follow this guidance.

NHS England have sent further guidance (18.01.19) to healthcare professionals:

<https://www.england.nhs.uk/wp-content/uploads/2019/01/medicines-supply-update-letter.pdf>

and have put patient facing message on the Gov.UK website – see Appendix 1

The CCG have sent (23.01.18) further guidance to key stakeholders explaining what their roles are during medicine supply issues.

It is unknown if patients are already stockpiling medicines – this would also have an impact on the prescribing costs. Further analysis would need to be done on prescribing data to establish if there has been an increase in quantities dispensed.

Other cost pressures:

Some medicines in Category-M are off concession and NCSO but back in the drug tariff at increased prices than prior to price concession/NCSO. The impact of this is £312,696, year to date, see Table 2.

Wider Impact of Stock Shortages

The impact of stock shortages can have a substantial effect on patients, community pharmacies, GP Practices and the NHS as a whole.

Patients– stock shortages can lead to delays in patient care and can result in increased visits to pharmacies and GP Practices to collect supplies of medicines when the full prescribed order is not initially available. Evidence shows that stock shortages can lead to an increase in adverse reactions, for example when an alternative medicine is prescribed, this can cause confusion for patients and ultimately lead to decreased compliance.

Community Pharmacies– although the impact of stock shortages on patient care is widely acknowledged, when a medicine goes into short supply, it can also have a major impact on community pharmacists. Shortages inevitably lead to increased time spent in sourcing products, discussing alternatives with prescribers and counselling patients. ‘Double dispensing’ can also occur, where patients have to return to the pharmacy at a later date with an owing note for a second dispensing of their prescription. These factors have a major impact on increasing contractors’ workloads. Stock shortages can also have an adverse financial impact on pharmacies, as well as increased costs caused by the increased burden on pharmacists, there may also be increased costs in procuring medicines which are not always reimbursable.

GP Practices – primary care teams, support staff and prescribers, are spending considerable time resolving issues regarding stock shortages for patients. Shortages lead to increased time spent in sourcing products, discussing alternatives with dispensing contractors and counselling patients and prescribing alternatives.

NHS – as illustrated in this paper, shortages can be very costly to the NHS. As well as the increased costs of sourcing alternatives, the unavailability of a key medicine or decreasing a patient’s compliance with their medication regimen can lead to the exacerbation of a patient’s medical condition, increasing hospital admissions and treatment costs. Evidence also suggests that there is an increased risk of medication errors when alternatives are prescribed, for example if the prescriber and pharmacist are less familiar with the alternative and this can also lead to additional treatment costs.

CCG Medicines Management Team

The CCG MMT are spending increasing amount of time in supporting primary care with queries and advice in relation to medicines shortages. The team are also allocating considerable time to monitoring the impact of price concessions and developing strategic plans to mitigate the impact of price concessions on the prescribing budget.

Professional Relationships

Shortages can also have an impact on key pharmacy relationships as they can increase conflict between the patient and the pharmacist, the pharmacist and the prescriber, the prescriber and the patient. For example, there could be

misconceptions from both patients and prescribers that the problem is due to the pharmacy's stock management rather than a genuine supply issue. The CCG is attempting to support good working relationships by providing updates and guidance to relevant stakeholders.

Examples of Products Affected by NCSO

Shortages affect commonly used medicines, see table 3 for examples, hence the work load impact is substantial for the NHS, GP Practices, Community Pharmacy, NHS Trusts etc.

Table 3 - Pressure by Product (Actuals) – NCSO items in October 2018

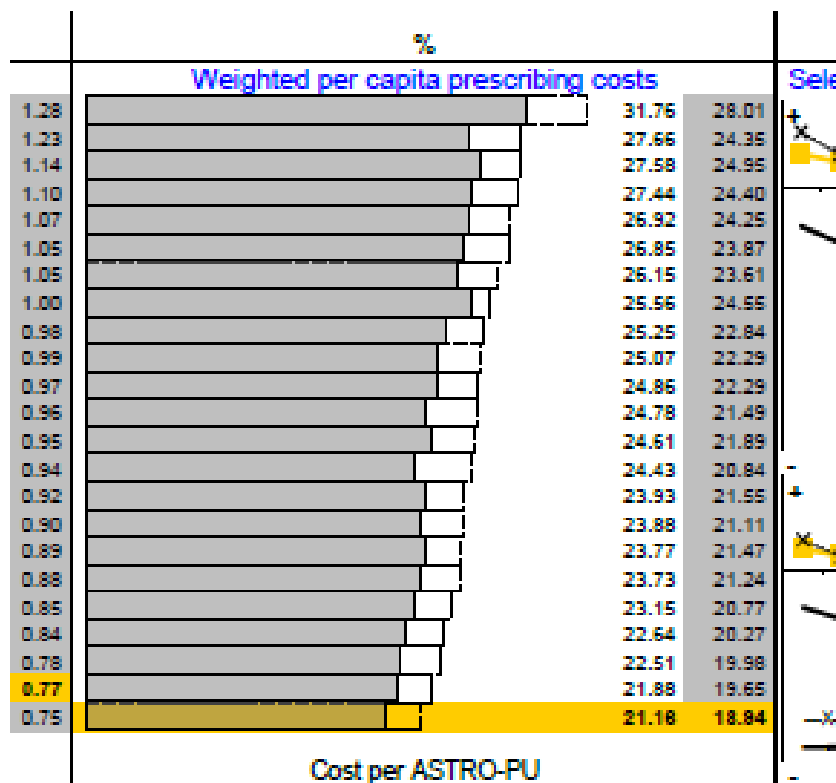
Drug	Items dispensed per year	Cost pressure per month in October 2018
Allopurinol	44,336	£15,458
Furosemide	44,073	£7,671
Naproxen	41,332	£920
Lercanidipine Hydrochloride	37,332	£9,118
Hydroxocobalamin	21,412	£769
Propranolol Hydrochloride	21,289	£8,423
Losartan Potassium	18,296	£1,048
Latanoprost	14,193	£12,700
Ramipril	9,326	£4,064
Lamotrigine	6,023	£4,463
Risperidone	4,697	£3,170
Nebivolol	3,533	£1,802
Nicorandil	3,248	£333
Metronidazole	3,209	
Valsartan	2,175	£1,535
Amisulpride	1,405	£274
Topiramate	1,288	£252
Brimonidine Tartrate	1,053	£162
Ondansetron Hydrochloride	902	£4,193
Telmisartan	714	£471
Tadalafil	649	£1,344
Levetiracetam	436	£990

Buprenorphine Hydrochloride	217	£529
Diamorphine Hydrochloride (Systemic)	56	£27
Sevelamer	50	£26

Mitigation for Financial Element:

NHS Vale of York CCG remains to have the lowest prescribing costs per weighted population in Yorkshire and Humber – see figure 1

Figure 1: Yorkshire and Humber CCG Monthly Financial Headlines – weighted per capita prescribing costs.

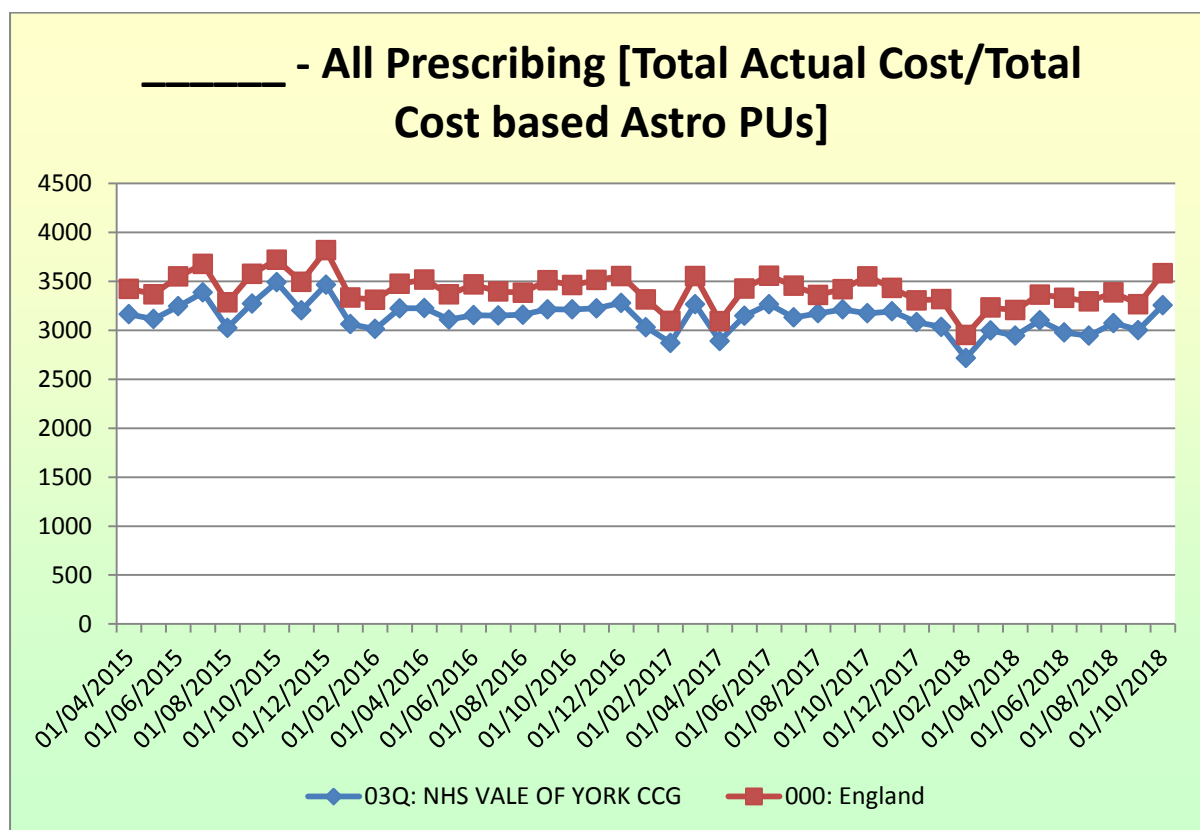


Vale of York is also >9% below the national weighted prescribing spend – see table 4 and Graph 2

Table 4:

Summary of improving weighted AC/ASTRoPUs					
	AWC	HRW	HaRD	ScR	VoY
1st 6m 15/16	4.80%	0.37%	-3.82%	4.70%	-8.00%
FY 15/16	4.62%	0.17%	-3.76%	3.37%	-8.01%
1st 6m 16/17	6.36%	-0.68%	-2.81%	4.07%	-7.89%
FY 16/17	7.42%	-0.58%	-3.37%	2.79%	-7.87%
1st 6m 17/18	6.99%	1.12%	-4.50%	4.48%	-7.35%
FY 17/18	5.90%	0.23%	-4.16%	4.13%	-7.69%
1st 6m 18/19	2.24%	-3.77%	-6.75%	1.90%	-9.09%
Value of variance v Nat/annum	£588,872	-£932,562	-£1,690,060	£395,703	-£4,437,098
Additional improvement over national change					
Latest 6m v same 17/18	4.75%	4.88%	2.25%	2.58%	1.74%
Value of extra improvement/annum	£1,247,976	£1,209,226	£563,597	£536,121	£849,017
Latest 6m v FY 17/18	3.66%	4.00%	2.59%	2.23%	1.40%
Value of extra improvement/annum	£960,721	£989,385	£647,551	£463,251	£682,451

Graph 2: All Prescribing (weighted) – National vs. NHS Vale of York CCG



The Medicines Management Team will continue to work with prescribers and the wider NHS to reduce unnecessary/inappropriate prescribing costs via several projects. For example:

- Prescribing Indicative Budgets (PIB)
- 'PIB 2' – continue with PIB but rebase and set clearer goals for GP Federations
- Opioid Aware campaign – starting now but will ramp up in 2019/20. We spend £1.5 million on opioid analgesics. We would like to reduce prescribing of opiates to improve quality/safety of prescribing but there will be cost-savings from this work.
- Stoma reviews - £1.8 million spent on stoma appliances each year. Aim to streamline prescribing, stop inappropriate prescribing through reviews. Aim to reduce spend by 10-30%.
- Gluten free – make sure all prescribing in line with national guidance
- Self-Care – STP wide campaign using NHSE resources to encourage patients to purchase their own medicines where appropriate and visit Community Pharmacies for minor ailments
- Diabetes transformation
- RightCare opportunities
- Optimise Rx
- Deprescribing/safe prescribing/reducing polypharmacy
- DOACs (direct oral anticoagulant) and warfarin – patient choice/shared decision making.
- Medicines Waste - Stop dispensing contractors from ordering medication on behalf of patient, except in exceptional circumstances. Ideally move to patient online ordering. Other CCGs that have implemented this have seen a reduction in prescribing in items by approx. 4%
- Inhaler reviews - Specialist nurses reviewing patients on inhalers for either asthma or COPD and changing to more appropriate product.

Mitigation for Wider Impact of Stock Shortages

The MMT will continue to cascade messages from NHS England/DHSC out to relevant parties.

The MMT have produced a communication to be sent to all key stakeholders, for example, GP Practices, Community Pharmacy, Community Teams, CYC, NYCC, Health Watch, NHS YTHFT. The communication aims to highlight the problems that medicines stock issues have for key stakeholders and how the healthcare system can support each other through these difficult times.

The MMT will work with the Communications Team to cascade relevant messages to the public, for example, via videos etc. published on, for example, NHS Vale of York CCG website and Twitter.

Action for PCCC

This paper has been presented to the PCCC for information, to highlight the current pressures on the CCG prescribing budget and to inform PCCC of the reasons for these pressures. The CCG Medicines Management Team will continue to seek opportunities to reduce prescribing costs where possible by minimising inappropriate and unnecessary prescribing.

Appendix 1 - Patient facing message on the Gov.UK website

Getting medication

Information for patients on how they will continue to receive medicines and treatment, if the UK leaves the EU without a deal on 29 March.

The government is working with pharmaceutical companies, suppliers, and the NHS to make sure patients continue to receive the medication they need if the UK leaves the EU without a deal.

Around three quarters of the medicines and over half the devices and one-use medical products, such as syringes, that the NHS uses, come into the UK via the EU.

The Government has analysed the supply chain, made plans to reduce the risk of disruption, and given instructions to pharmaceutical companies to ensure that they have adequate stocks to cope with any potential delays at the border. We are confident that, if everyone does what they should do, the supply of medicines and other medical supplies will be uninterrupted in the event of exiting the EU without a deal.

This means if your doctor prescribes you with medicines or special equipment for a health condition, you should still be able to get the treatment you need from your GP or pharmacist.

Occasionally we do experience temporary shortages of specific medicines. If this happens, your doctor will prescribe the best alternative to your usual medication – this is a tried and tested system.

If there are any shortages of particular medicines after EU Exit, the same system will be in place – your doctor will advise you of the best alternative to treat your condition.

This is a UK-wide policy. The Department of Health and Social Care in England is working with counterparts in Scotland, Northern Ireland and Wales to deliver the uninterrupted supplies people expect.